

Maximum with Minimum

# ASE Inc. 2007 Q1 Earnings Release

Presented by  
Advanced  
Semiconductor  
Engineering, Inc.  
4/25/2007

# Safe Harbor Notice



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# Consolidated Income Statement



## 2007 Q1 Sequential Comparison

| (NT\$ Million except EPS)                                  | <u>2007 Q1</u> | <u>%</u>      | <u>2006 Q4</u> | <u>%</u>      | <u>Change</u> |
|--|----------------|---------------|----------------|---------------|---------------|
| <b>Net Revenues:</b>                                       |                |               |                |               |               |
| IC Packaging   | 16,283         | 77.2%         | 17,186         | 76.1%         | -5%           |
| Testing  | 4,324          | 20.5%         | 4,797          | 21.3%         | -10%          |
| Others   | 486            | 2.3%          | 591            | 2.6%          | -18%          |
| <b>Total Net Revenues</b>                                  | <b>21,093</b>  | <b>100.0%</b> | <b>22,574</b>  | <b>100.0%</b> | <b>-7%</b>    |
| <b>Gross Profit</b>  | <b>4,997</b>   | <b>23.7%</b>  | <b>6,398</b>   | <b>28.3%</b>  | <b>-22%</b>   |
| <b>Operating Profit</b>                                    | <b>2,771</b>   | <b>13.1%</b>  | <b>4,223</b>   | <b>18.7%</b>  | <b>-34%</b>   |
| <b>Pretax Income(Loss)</b>                                 | <b>2,270</b>   | <b>10.8%</b>  | <b>4,038</b>   | <b>17.9%</b>  | <b>-44%</b>   |
| <b>Income Tax(Expense)</b>                                 | <b>(320)</b>   | <b>-1.5%</b>  | <b>(766)</b>   | <b>-3.4%</b>  | <b>-58%</b>   |
| <b>Income(Loss) from Discontinuing Operations</b>          | <b>0</b>       | <b>0.0%</b>   | <b>0</b>       | <b>0.0%</b>   |               |
| <b>Cumulative Effect of Change in Accounting Principle</b> | <b>0</b>       | <b>0.0%</b>   | <b>0</b>       | <b>0.0%</b>   |               |
| <b>Minority Interest</b>                                   | <b>(289)</b>   | <b>-1.4%</b>  | <b>(538)</b>   | <b>-2.4%</b>  | <b>-46%</b>   |
| <b>Net Income(Loss)</b>                                    | <b>1,661</b>   | <b>7.9%</b>   | <b>2,734</b>   | <b>12.1%</b>  | <b>-39%</b>   |
| <b>EPS<sup>1</sup></b>                                     | <b>0.36</b>    |               | <b>0.59</b>    |               | <b>-39%</b>   |
| <b>EBITDA</b>  | <b>6,616</b>   | <b>31.4%</b>  | <b>8,082</b>   | <b>35.8%</b>  | <b>-18%</b>   |

<sup>1</sup> All EPS figures are based on fully diluted number of shares

# Consolidated Income Statement



## 2007 Q1 YoY Comparison

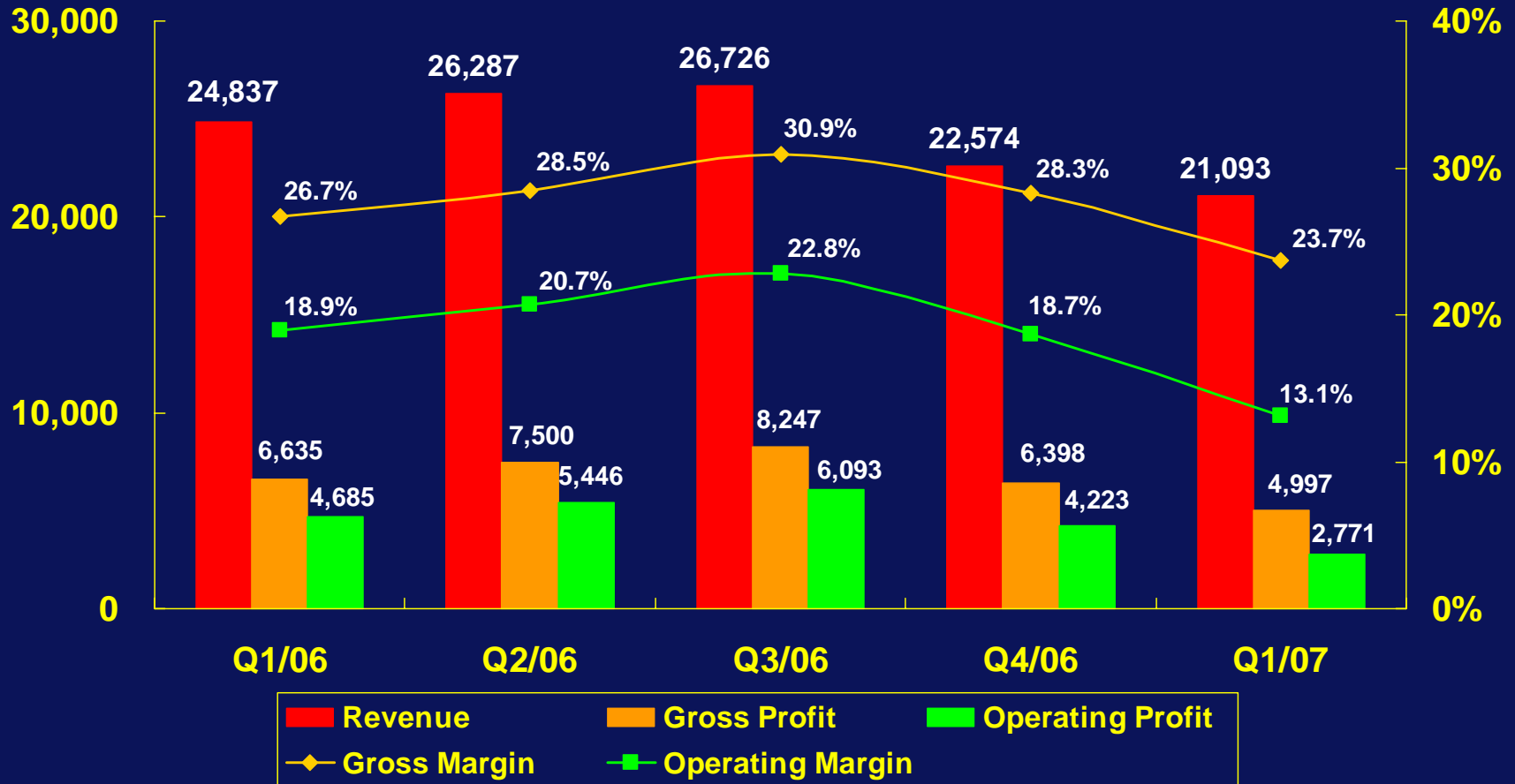
| (NT\$ Million except EPS)              | 2007 Q1       | %             | 2006 Q1       | %             | Change      |
|--|---------------|---------------|---------------|---------------|-------------|
| <b>Net Revenues:</b>                   |               |               |               |               |             |
| IC Packaging                           | 16,283        | 77.2%         | 19,306        | 77.7%         | -16%        |
| Testing                                | 4,324         | 20.5%         | 5,123         | 20.6%         | -16%        |
| Others                                 | 486           | 2.3%          | 408           | 1.6%          | 19%         |
| <b>Total Net Revenues</b>              | <b>21,093</b> | <b>100.0%</b> | <b>24,837</b> | <b>100.0%</b> | <b>-15%</b> |
| <b>Gross Profit</b>                    | <b>4,997</b>  | <b>23.7%</b>  | <b>6,635</b>  | <b>26.7%</b>  | <b>-25%</b> |
| <b>Operating Profit</b>                | <b>2,771</b>  | <b>13.1%</b>  | <b>4,685</b>  | <b>18.9%</b>  | <b>-41%</b> |
| <b>Pretax Income(Loss)</b>             | <b>2,270</b>  | <b>10.8%</b>  | <b>4,083</b>  | <b>16.4%</b>  | <b>-44%</b> |
| <b>Income Tax(Expense)</b>             | <b>(320)</b>  | <b>-1.5%</b>  | <b>(132)</b>  | <b>-0.5%</b>  | <b>142%</b> |
| <b>Income(Loss) from Discontinuing</b> |               |               |               |               |             |
| Operations                             | 0             | 0.0%          | 0             | 0.0%          |             |
| <b>Cumulative Effect of Change in</b>  |               |               |               |               |             |
| Accounting Principle                   | 0             | 0.0%          | (343)         | -1.4%         |             |
| <b>Minority Interest</b>               | <b>(289)</b>  | <b>-1.4%</b>  | <b>(426)</b>  | <b>-1.7%</b>  | <b>-32%</b> |
| <b>Net Income(Loss)</b>                | <b>1,661</b>  | <b>7.9%</b>   | <b>3,182</b>  | <b>12.8%</b>  | <b>-48%</b> |
| <b>EPS<sup>1</sup></b>                 | <b>0.36</b>   |               | <b>0.69</b>   |               | <b>-48%</b> |
| <b>EBITDA</b>                          | <b>6,616</b>  | <b>31.4%</b>  | <b>7,953</b>  | <b>32.0%</b>  | <b>-17%</b> |

<sup>1</sup> All EPS figures are based on fully diluted number of shares

# Consolidated Revenue & Margin Trend



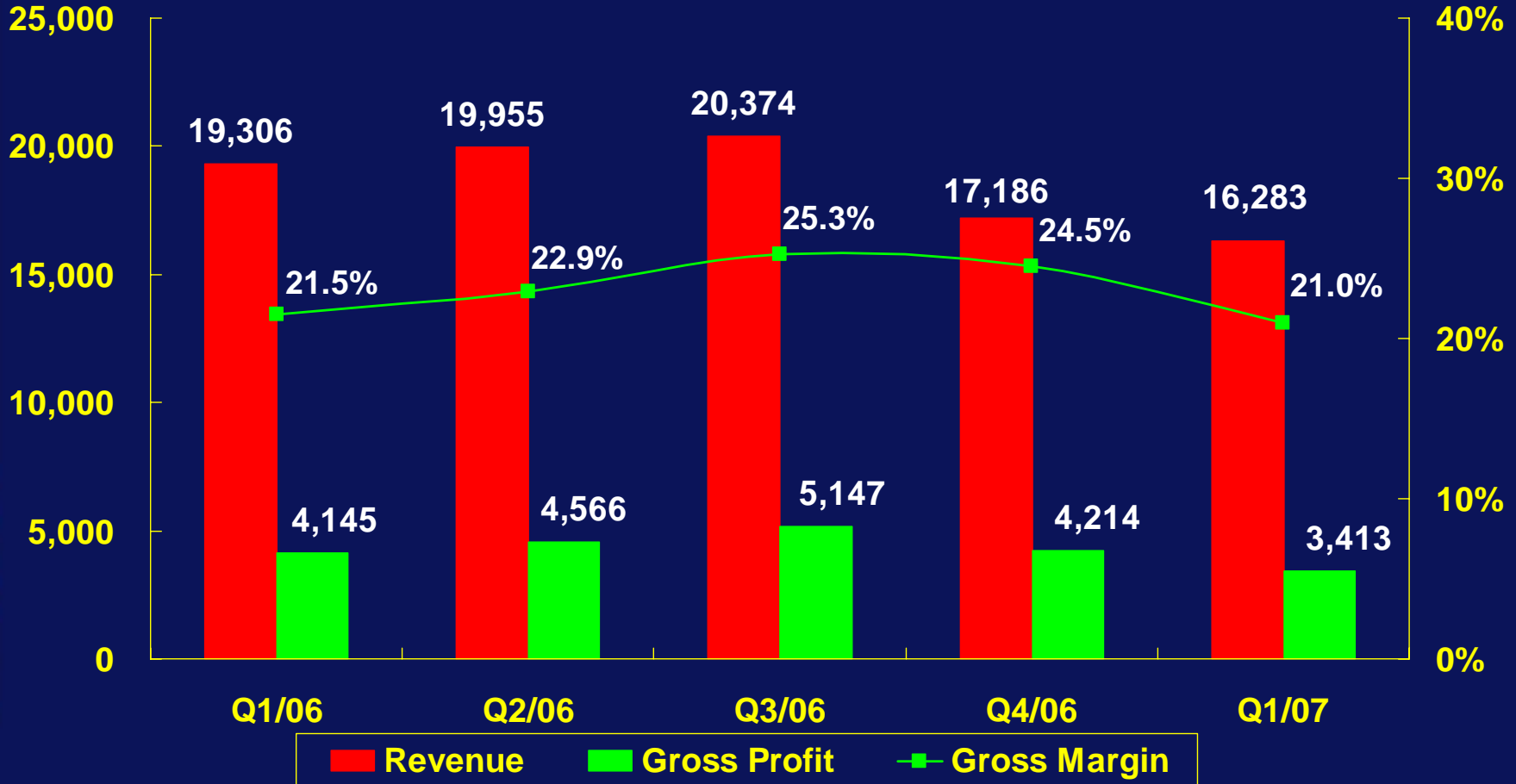
NT\$ Million



# IC Packaging Operations



NT\$ Million



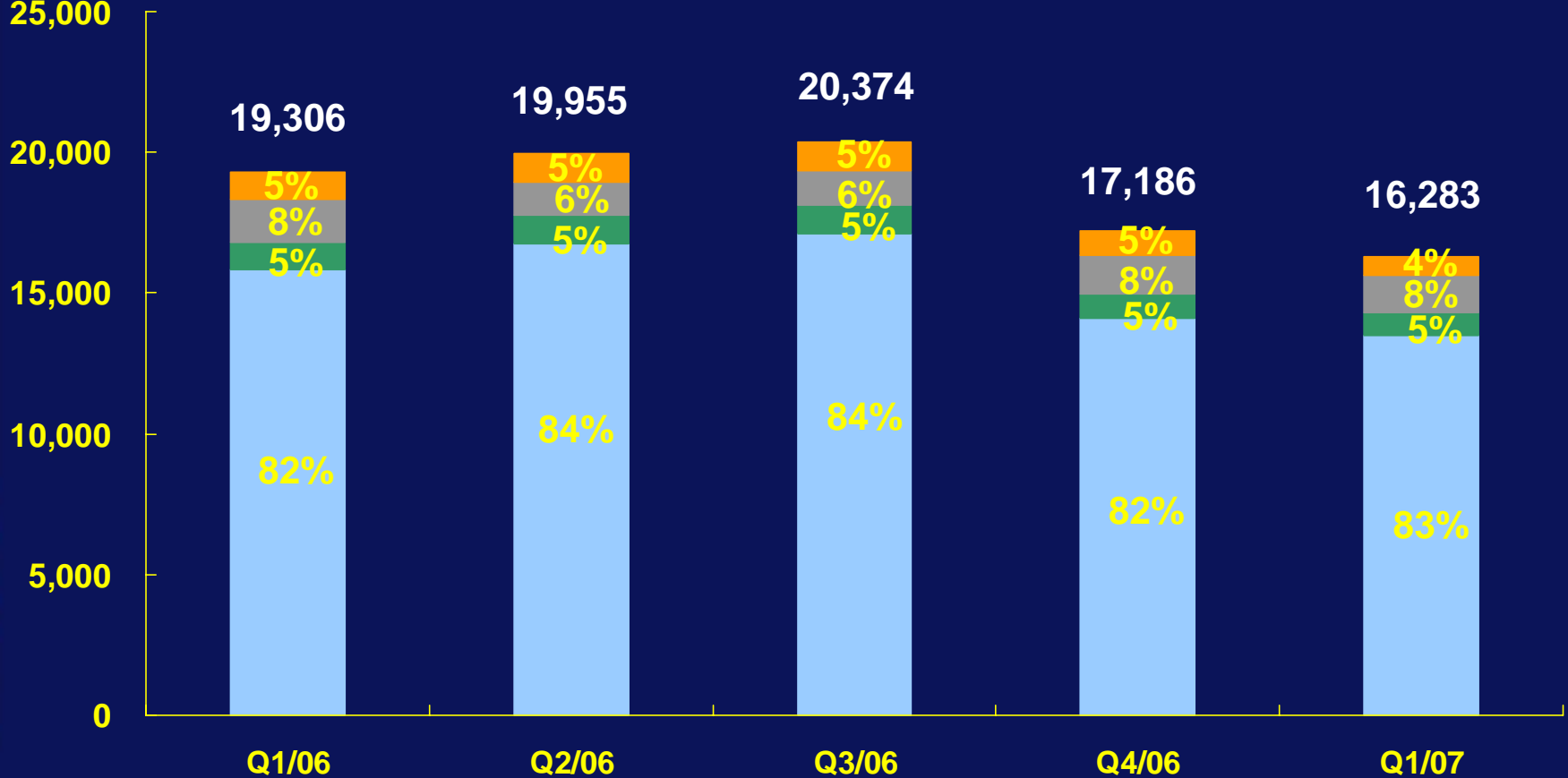


# IC Packaging Operations

## Package Revenue Breakdown



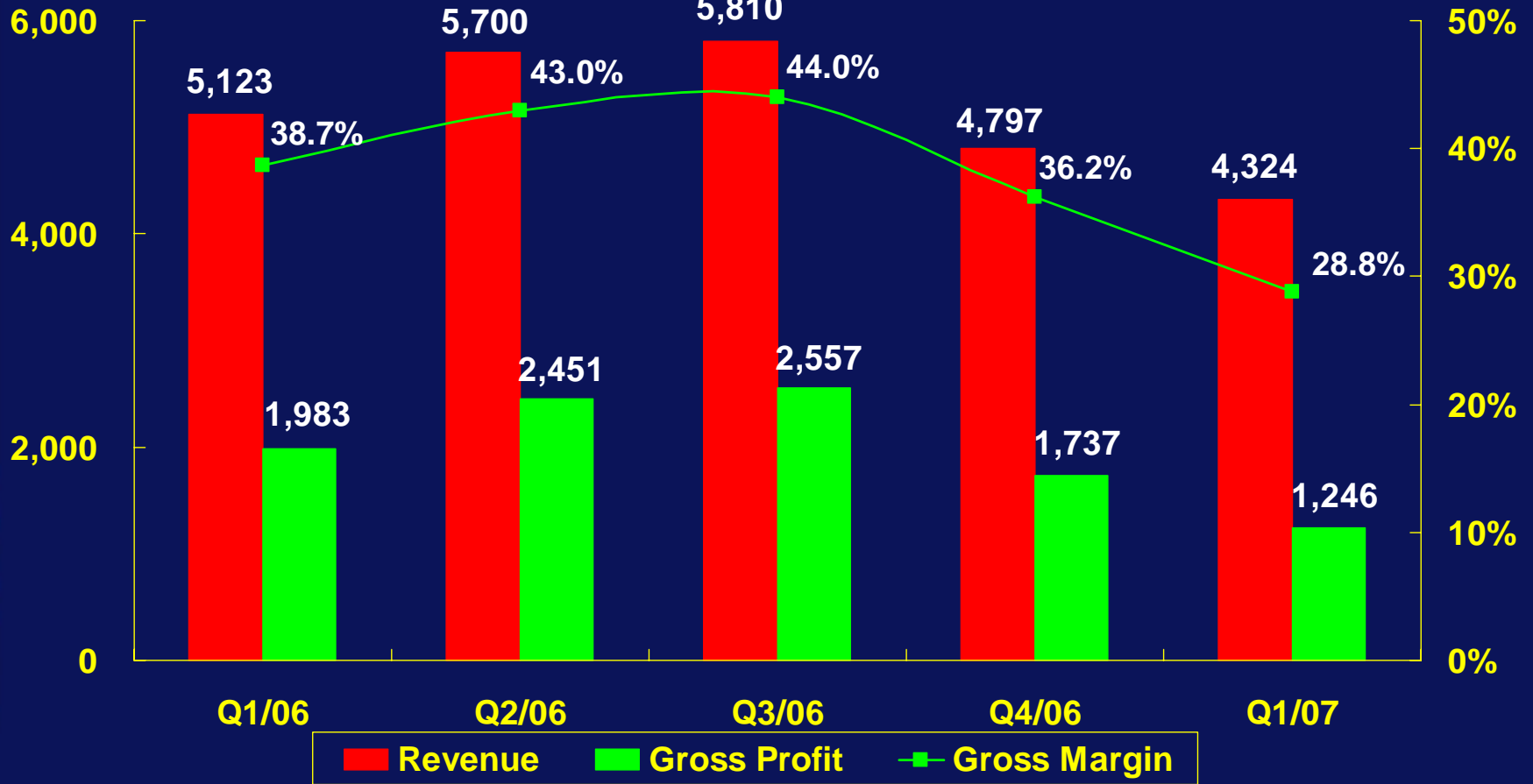
NT\$ Million



# Testing Operations



NT\$ Million







# Testing Operations

## Test Revenue Breakdown

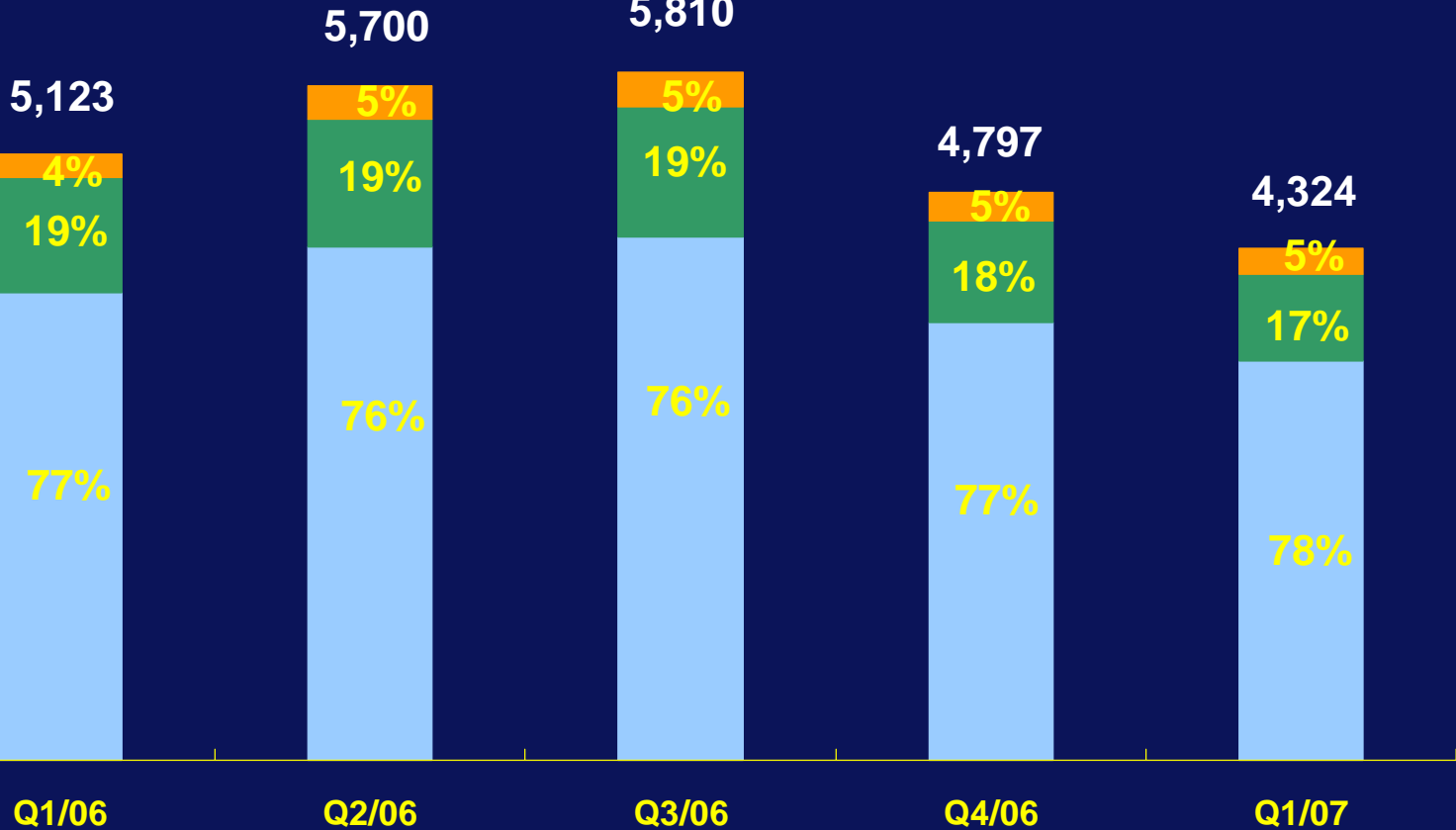
NT\$ Million

6,000

4,000

2,000

0



Final Test

Wafer Sort

Engineering Test

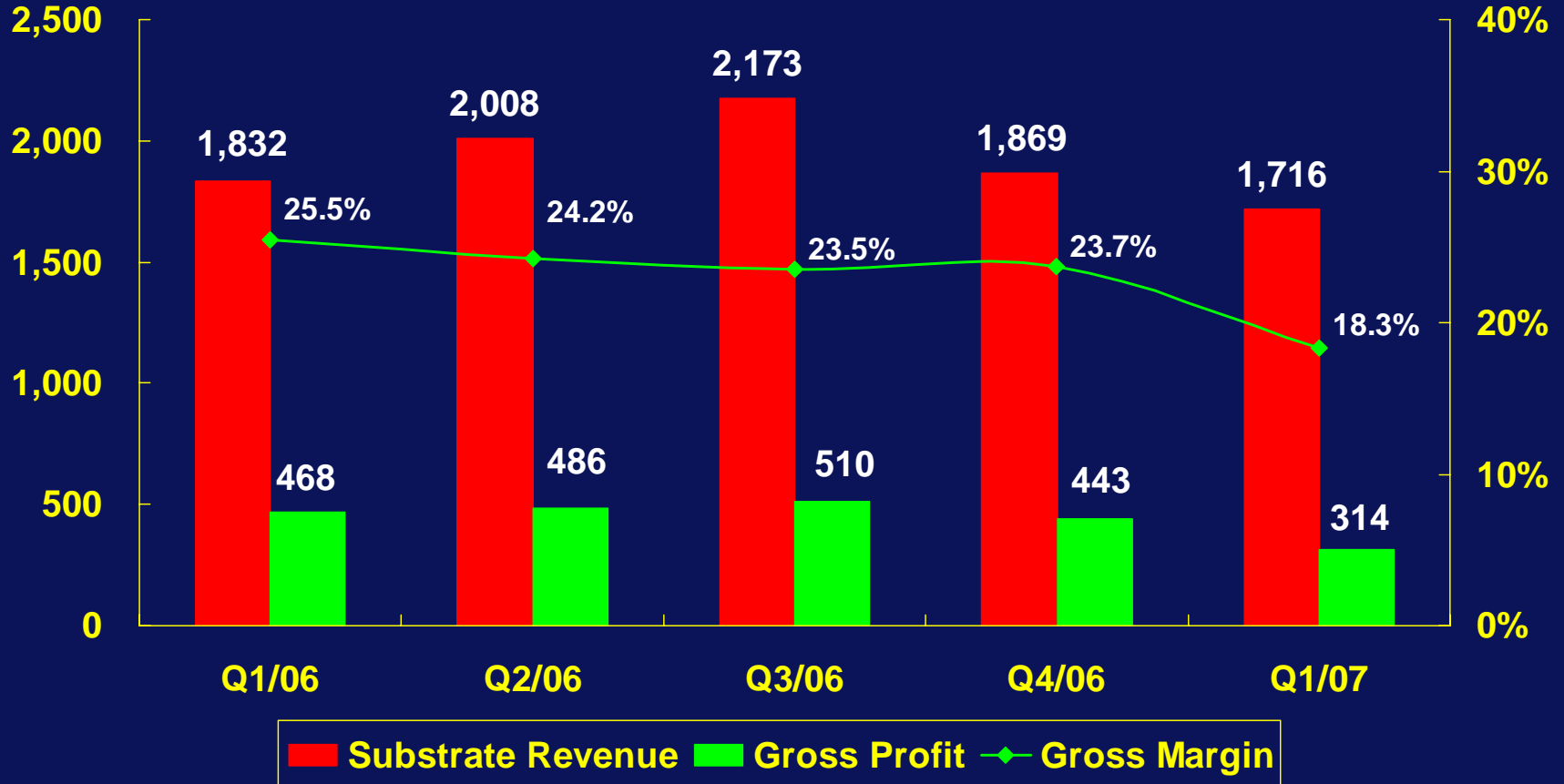
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# Material Operations



NT\$ Million



# Selective Balance Sheet Information



| (NT\$ Million)  | <u>Mar. 31, 2007</u> | <u>Dec. 31, 2006</u> | <u>Change</u> |
|---|----------------------|----------------------|---------------|
| Cash and Cash Equivalent                                | 14,008               | 15,730               | -10.9%        |
| Financial Assets - current                              | 12,704               | 10,904               | 16.5%         |
| Financial Assets - non current                          | 5,659                | 5,735                | -1.3%         |
| <b>Total Assets</b>                                     | <b>143,568</b>       | <b>137,041</b>       | <b>4.8%</b>   |
| ST Bank Debt - Revolving Credit                         | 5,477                | 2,868                | 91.0%         |
| - Current Portion of LT Debt                            | 2,603                | 1,833                | 42.0%         |
| Bonds Payable within 1 year                             | 1,375                | 3,798                | -63.8%        |
| LT Bank Debt  | 23,957               | 23,639               | 1.3%          |
| LT Bonds Payable  | 8,208                | 5,759                | 42.5%         |
| <b>Total Net Worth</b><br>(Including minority interest) | <b>80,066</b>        | <b>77,127</b>        | <b>3.8%</b>   |
| Quarterly EBITDA  | 6,616                | 8,082                | -18.1%        |
| Current Ratio   | 1.72                 | 1.74                 |               |
| Leverage Ratio  | 0.19                 | 0.15                 |               |

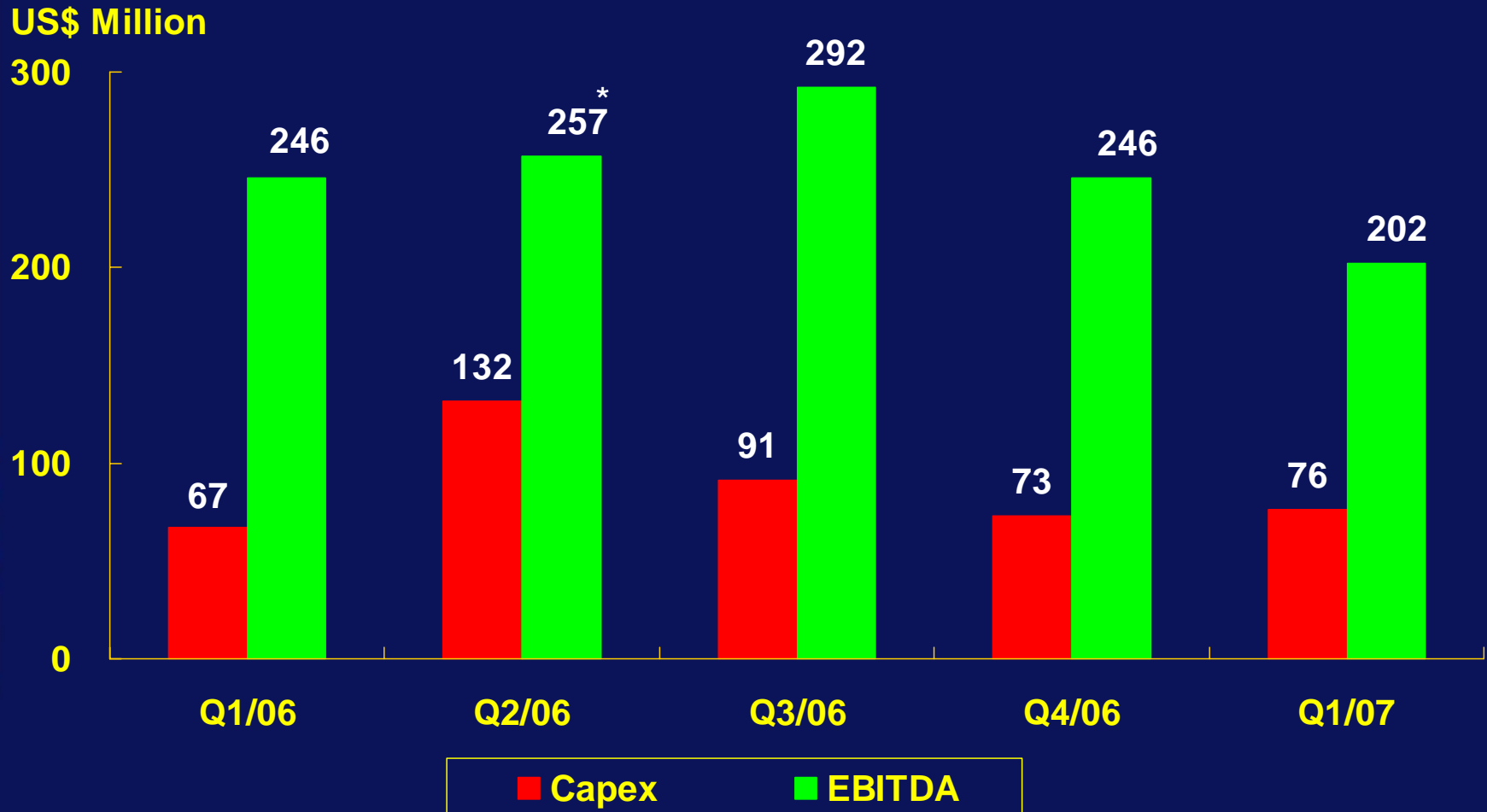
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# Capital Expenditure v.s. EBITDA



2006 Full Year Capex: US\$363 million



\*: EBITDA number has been adjusted for fire loss and insurance income



# Top Ten Customers

2007 Q1

**ASE Group**

**ATI**

**BROADCOM**

**CAMBRIDGE**

**FREESCALE**

**MEDIA TEK**

**NEC**

**QUALCOMM**

**RFMD**

**STM**

**VIA**

**Top 5**

**Top 10**

**27% of Total Sales**

**42% of Total Sales**

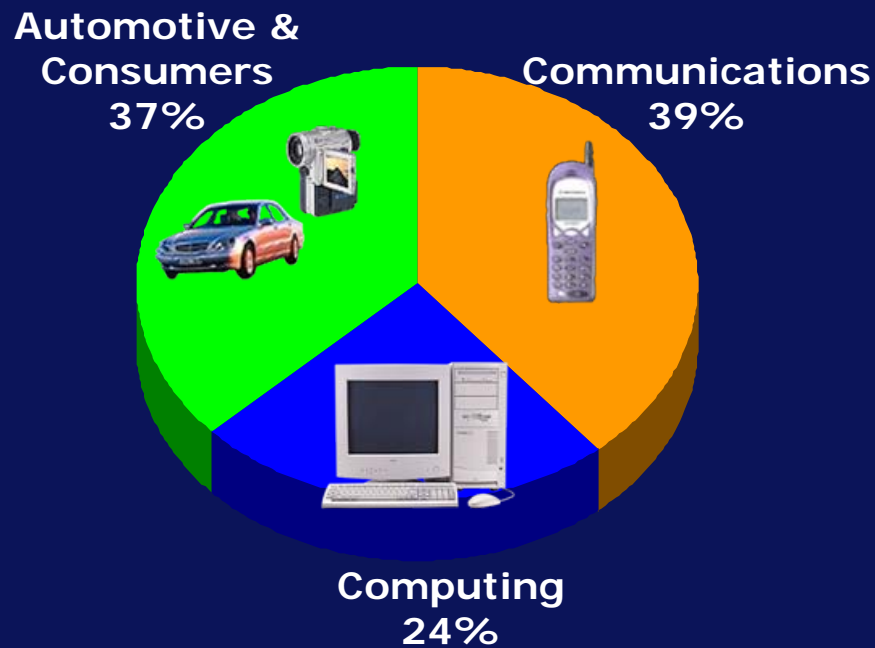
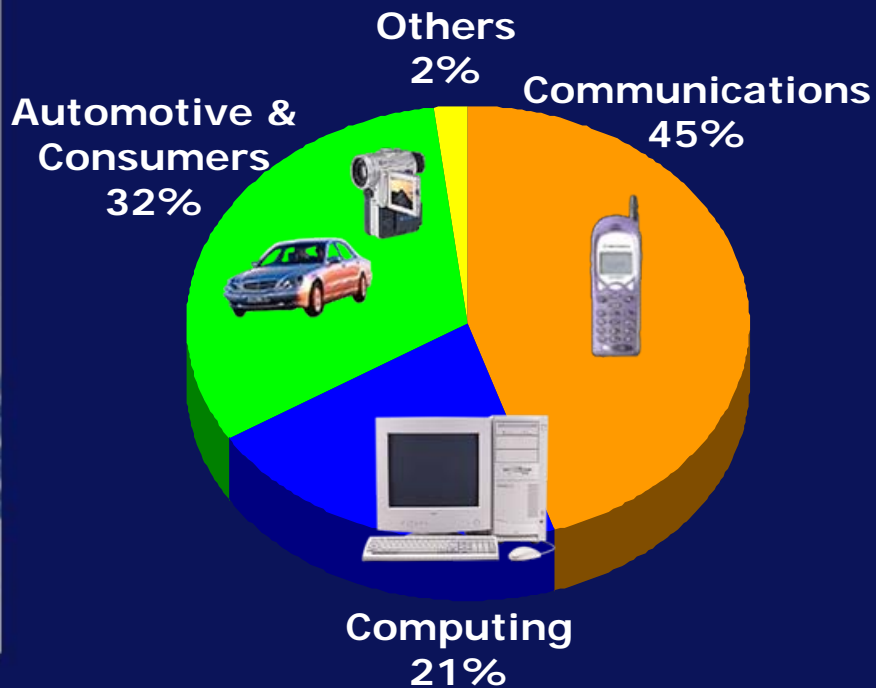


# Market Segment Exposure



2007 Q1

2006 Q4



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# Guidance for 2007 Q2



- > Revenue: up 10-12% sequentially
- > Gross margin: around 25%
- > 2007 full year Capex: US\$350 to US\$400 million

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**For more information regarding  
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